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Endeavour Silver Corp: Four Consecutive Years of Silver Production + Rising Silver Prices + Falling Production Costs = A Leader in the Silver Mining Sector

Basic Materials
Silver
(EXK-NYSE-A, EDR-TSX)

Endeavour Silver Corp.

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Bradford Cooke M.Sc., P. Geo.
Chairman and CEO

BIO:

Bradford Cooke, P. Geo., is a professional geologist with over 32 years experience in the mining industry, specializing in the financing, acquisition, exploration and development of precious metal properties. As a Director of several public resource companies, he has successfully raised over CA\$250 million in equity and joint venture financings for resource projects since 1988. Mr. Cooke has participated in the discovery of several mineral deposits, including uranium in Labrador, gold and tungsten in B.C., gold in Suriname and silver in Mexico. He graduated with a B.Sc. Geology (Honors) degree from Queens University in 1976 and a M.Sc.

Geology degree from the University of British Columbia in 1984. From 1976 to 1987, he worked as a project geologist for Noranda Mines, Shell Minerals, Chevron Minerals and as a geological consultant. In 1988, he launched Canarc Resource Corp. to focus on gold exploration in the Americas. In 2003, Bradford formed Endeavour Silver Corp. with the express purpose of acquiring advanced high-grade silver mining projects in Mexico. Today, Endeavour is one of the fastest growing primary producers of silver worldwide.

Company Profile:

Endeavour Silver Corp. (EDR: TSX, EXK: NYSE-A) is a Canadian based small-cap silver mining company focused on the growth of its silver production, reserves & resources, and cash flow in Mexico. The expansion programs now underway at Endeavour's two operating mines, Guanacevi in Durango and the Guanajuato Project in Guanajuato State, coupled with the Company's aggressive acquisition and exploration programs in Mexico should enable Endeavour to join the ranks of top primary silver producers.

Endeavour stands out from other silver mining companies for the strong organic growth potential of its core assets, its high silver grades and leverage, the substantial exploration upside of its Mexican mining properties, and the significant under-utilized capacities of the Guanacevi and Guanajuato plants.

Interview conducted by:
Lynn Fosse, Senior Editor

CEOCFO: Mr. Cooke, you have a long history in your industry, what is special about Endeavor, why are you with them today?

Mr. Cooke: "Endeavour Silver is a company I founded about five years ago for the specific purpose of acquiring strategic silver mine assets in Mexico. The reason why I am still focused on growing Endeavour five years later very simply is that we are coming into the next leg of a major commodity cycle. The precious metals will not only lead the other commodities into this next upleg, they will shine. Endeavor has enjoyed four consecutive years of growing silver production and we think that the next four years will be a stellar opportunity for us to capture value in the silver sector for our shareholders."

CEOCFO: Please tell us about the projects that are going now.

Mr. Cooke: "Endeavor has acquired and expanded its two silver mines in Mexico, the Guanacevi mines in Durango State and the Guanajuato mines in Guanajuato State. These two mines combined produced about 2.3 million ounces of silver last year and we expect to produce close to 3 million ounces this year. The potential of the two existing process plants is approximately 4.5 million ounces of silver per annum, so we have another 200% growth in production just to fill the two plants to their capacity."

CEOCFO: What is it like in mining today?

Mr. Cooke: "The global credit crisis has affected every industrial sector, and mining was impacted hard because it is an industry that produces physical commodities for global growth, and the construction and manufacturing sectors. Metal prices really took it on the nose last year. All of the mining companies went from focused on growth to focusing on survival. I am pleased to say that Endeavour

is a survivor and the market is already turning again towards growth, particularly in the precious metals.”

CEOCFO: Will you tell us about the facilities for mining?

Mr. Cooke: “We have been investing our net cash flow each year to not only expand the mines, but also expand the process plants. Last year’s capital investment program was to expand the Guanacevi mines, the Guanajuato mines, and the Guanacevi plant. These plants have resale values north of \$20 million at the Guanacevi mines and north of \$10 million at the Guanajuato mines, so that the replacement value of the two plants is half of our market cap. Our share price is trading at close to book value at this time.”

CEOCFO: You continue to get very good results; tell me about some of the latest results you have come out with.

Mr. Cooke: “Just as we have grown our production annually, we have grown our reserves and resources annually. Every year we expand the Company’s silver ounces by exploration drilling. These two mines occupy two famous ore districts that were extensively mined but grossly under-explored. Each year in the last four years Endeavour has gone about exploring various parts of the district that have histories of small scale production but never any modern exploration. I am pleased to say that Endeavour has not only expanded its reserves six-fold in the last four years, we once again made a number of new discoveries last year.”

CEOCFO: Are there techniques in either exploration or production that might help you be more successful?

Mr. Cooke: “On the production side of things there is really not a whole lot new in terms of technology. Improving efficiencies is what makes the operations go, people management, and assembling the right set of skills, etc. On the other hand, we have other relatively new technologies for exploration; for example, satellite imagery, as well as new and advanced

geophysical techniques that allow us to look beneath the surface of the earth and try and figure out where Mother Nature might have hidden her gold and silver.”

CEOCFO: Are you looking to acquire any new properties?

Mr. Cooke: “We are, and each year we acquire more and more properties in the two existing districts, so that the long-term goal of consolidating ownership of these districts is accomplished. In addition, Endeavour is very focused on acquiring mine #3 and mine #4 if possible. We are also looking at merger and acquisition activity with other companies, so we are very active on that front.”

CEOCFO: Given the success you have had, why would people be selling prop-

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erty in these districts?

Mr. Cooke: “If there is a benefit to the type of sell-off that we have seen in the mining sector in the last year, it is that good assets do become available. In addition, the pricing of those assets is at a sector low. In other words, there are silver mining projects available at a reasonable price now that was not available a year ago, so we see this time as a time of opportunity. Therefore, we are working very hard to try and capture some of these opportunities for our shareholders.”

CEOCFO: What is the financial picture like for you today?

Mr. Cooke: “We are a company who lives off largely our cash flow from the two mines, but we also raise equity financing from time to time to fund our

growth. Don’t be surprised if, as a result of the strength of our company, we are able to cash up in the coming months.”

CEOCFO: Potential investors have many places to look; why should they be singling Endeavour out of the crowd?

Mr. Cooke: “There are some very simple reasons why investors may want to look at Endeavour. The broader picture is that the precious metal sector has already bounced off its lows in November 2008, and is already setting the new uptrend into the next commodity cycle. The precious metals lead the other metals so it will probably take many months for the other metals to join the party. Therefore, I think investors should be exposed to gold and silver. Secondly, you want to own investments in the silver sector that can

grow. Endeavour Silver has a seasoned management team who has a record of accomplishment for growth, having just delivered our fourth consecutive year of production expansion in 2008. In addition, we recently posted over four consecutive quarters of falling cash costs. Therefore, there are some simple reasons to focus on Endeavour: rising silver prices, rising silver production, and falling costs of production.

CEOCFO: What should people reading your story remember most about Endeavour Sil-

ver?

Mr. Cooke: “I think this is a time of opportunity. We founded this company in late 2002 and bought our first mine in early 2004, when the stock was still a \$1.00 a share. Having just come through a global crash, the stock bottomed at a \$1.00 a share and yet the company has never been stronger. This is a wonderful time of opportunity, not only for the company to acquire and grow projects, but also a wonderful time for our shareholders to capture very low cost stock values before the company enters into its next phase of growth.”